

NEWS RELEASE**FOR IMMEDIATE RELEASE****PLIFE REIT EXPANDS JAPAN PORTFOLIO WITH ACQUISITION OF TWO NEW NURSING HOMES IN THE GREATER TOKYO REGION**

- **Yield-accretive acquisition of two nursing homes that is expected to generate an average net property income yield of 5.2%¹**
- **Develop strategic collaboration with Daiwa House Industry Co., Ltd., a leading real estate developer in Japan**
- **Establish a long-term partnership with a new operator, Zen Wellness Co., Ltd., for tenant diversification in Japan**

Singapore, 20 September 2022 – Parkway Trust Management Limited (the “**Manager**”), as manager of Parkway Life Real Estate Investment Trust (“**PLife REIT**”), one of Asia’s largest listed healthcare REITs, is pleased to announce its acquisition of two nursing homes (the “**Properties**”) in the Greater Tokyo region from Daiwa House Industry Co., Ltd. (“**Daiwa House**” or the “**Vendor**”) for a total consideration of JPY2,880 million (approximately S\$29.4 million²) (the “**Purchase Price**”).

Yield-accretive Acquisition that Expands PLife REIT’s Japan Portfolio

HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT, has through its wholly-owned subsidiary, Parkway Life Japan4 Pte. Ltd., entered into a *Tokumei Kumiai* agreement (or silent partnership, similar to the holding structure for PLife REIT’s previous acquisitions in Japan) for the acquisition of the Properties. The acquisition will be made at approximately 11.1% below valuation and is expected to generate a net property income yield of 5.2%¹. The acquisition is expected to be completed by Q3 2022. Following the earlier acquisition of three other nursing homes in Japan³, this acquisition will further bring PLife REIT’s Japan portfolio to 57 properties, totalling approximately S\$758.4 million⁴ in value.

¹ The expected average net property income yield is computed by dividing the contractual net property income by the Purchase Price of the Properties (excludes capitalised cost).

² All JPY to SGD conversion in this press release is based on an assumed exchange rate of S\$1.00 to JPY98.04.

³ Please refer to PLife REIT’s announcements of the acquisition of three nursing homes released on 13 September 2022.

⁴ Based on the latest appraised values for the existing portfolio and the appraised values of the Properties, PLife REIT’s Japan portfolio will total to approximately JPY74.4 billion.

Rejuvenate PLife REIT's Japan Portfolio with New Properties & Reputable Operator

Newly-built in 2021, the Properties are freehold and well-located in residential areas of Tokyo and Chiba Prefectures with good connectivity and close proximity to the Tokyo Centre. The acquisition will see PLife REIT taking over the existing lease agreements of the Properties, with an average long balance lease term of approximately 29 years. This will enhance PLife REIT's earning resilience and also contribute positively to its weighted average lease expiry (by gross revenue) from 17.05 years⁵ to 17.21 years.

PLife REIT will also be working with a new operator, Zen Wellness Co., Ltd. ("**Zen Wellness**"), an established regional operator in Japan with proven operating track record in the aged care business. Founded in 2013, Zen Wellness currently operates 11 nursing homes in the Kanto/Greater Tokyo region. The acquisition will enable PLife REIT to initiate a long-term strategic alliance with a new reputable operator for further tenant diversification in Japan.

Establishing New Collaboration with a Renowned Developer in Japan

The two properties were developed by the Vendor, Daiwa House, a leading real estate developer in Japan. The Vendor is listed on the Tokyo Stock Exchange and engages in a whole spectrum of construction business from housing, commercial, logistics to medical and nursing care facilities.

Commenting on the acquisition, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: "Since 2008, we have been capitalising on our first-mover advantage to expand our presence in the Japan's aged care market. Recognising the strong demand for quality care homes driven by the aging population, PLife REIT seeks to fortify our Japan portfolio with more quality assets. The two well-located properties will not only strengthen our portfolio but also initiate a new collaboration with Daiwa House, a reputable real estate developer in Japan. The acquisition will mark the first step for PLife REIT to work with Daiwa House and pave the way for future pipelines of quality assets."

Mr. Takahiro Imai, Manager of the General Construction Business Division (Medical and Nursing Facilities Strategy Department) of Daiwa House, also commented: "Daiwa House is delighted to work with PLife REIT on the transaction of the two nursing homes. Recognising PLife REIT's significant and growing presence in Japan, we look forward to embark on future collaborative opportunities with the REIT again."

⁵ As at 31 August 2022.

Acquisition Funding

The acquisition will be fully funded by JPY debts. Similar to previous acquisition financing, the deployment of JPY funding provides a natural hedge for the foreign exchange risks arising from JPY denominated assets, thereby insulating PLife REIT from potential currency volatility.

Following this acquisition and the earlier acquisition of three other nursing homes in Japan⁶, PLife REIT's leverage ratio will increase from 32.5% (as at 30 June 2022) to approximately 34.3%, which is within the regulatory gearing limit for Singapore REITs under the Code on Collective Investment Schemes.

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About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PLife REIT") is one of Asia's largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT owns a well-diversified portfolio of 56 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.29 billion⁷ as at 31 December 2021. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 52 assets of high-quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

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⁶ Please refer to PLife REIT's announcements of the acquisition of three nursing homes released on 13 September 2022.

⁷ Based on latest appraised values (excludes right-of-use assets).

Important Notice

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“PLife REIT” and the units in PLife REIT, the “Units”).

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as Manager of PLife REIT, or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of PLife REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of PLife REIT or the Manager is not necessarily indicative of the future performance of PLife REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.